

**OFFICIAL**

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State/Territory: New Jersey

Citation	Condition or Requirement
1906 of the Act	State Method on Cost Effectiveness of Employer-Based Group Health Plans

The New Jersey Division of Medical Assistance and Health Services (DMAHS) will follow the Secretary's methodology for determining cost-effectiveness of cases as set forth in Section 3910.11 of the State Medicaid Manual, with the following modifications:

1. Due to limited resources, DMAHS will concentrate its efforts on the most cost-effective cases. As cases are screened, they automatically will be eligible for the payment of health insurance premiums under this plan if they fall into any of the following categories:
  - a. Cases in the community whose diagnoses indicate that they are in need of long term institutional care and meet, at a minimum, the nursing facility level of care criteria (e.g., cases who are eligible for the Model Waiver I, II, or III Programs, or the AIDS Community Care Alternatives Program).
  - b. Cases whose diagnoses indicate Acquired Immune Deficiency Syndrome (AIDS), AIDS-Related Complex (ARC), or, in children under the age of five years, Human Immunodeficiency Virus (HIV) positive.
  - c. Cases whose diagnoses indicate a malignancy of a vital organ.
  - d. Cases whose diagnoses indicate a hereditary or degenerative disease of the central nervous system.

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2. The following remaining cases from the screen will be eligible for the payment of health insurance premiums:	
a. Cases whose projected net Medicaid savings are likely to be \$20,000 or more annually, based on their claims experience or the claims experience of other cases with the same diagnoses.	
b. Cases whose projected net Medicaid savings are likely to be 500% or more of their premiums and other costs, based on their claims experience or the claims experience of other cases with the same diagnoses.	

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